



## HAWAII STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

### STANDARD APPLICATION – CERTIFICATE OF NEED PROGRAM

Application Number 04-14

Applicant: Aloha Mobile Imaging  
59-013 Holawa Place  
Haleiwa, HI 96712  
Phone: 808-242-2036

Project Title: Establishment of a Mobile (Portable) X-Ray service  
on Oahu

**1. TYPE OR ORGANIZATION:** (Please check all applicable)

- Public \_\_\_\_\_
- Private \_\_\_\_\_
- Non-profit \_\_\_\_\_
- For-profit \_\_\_\_\_
- Individual \_\_\_\_\_
- Corporation \_\_\_\_\_
- Partnership \_\_\_\_\_
- Limited Liability Corporation (LLC) \_\_\_\_\_
- Limited Liability Partnership (LLP) \_\_\_\_\_
- Other: \_\_\_\_\_

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CITY OF HONOLULU  
& COUNTY OF HAWAII

**2. PROJECT LOCATION INFORMATION:**

A. Primary Service Area(s) of Project: (Please check all applicable)

- Statewide: \_\_\_\_\_
- O`ahu-wide: \_\_\_\_\_
- Honolulu: \_\_\_\_\_
- Windward O`ahu: \_\_\_\_\_
- West O`ahu: \_\_\_\_\_
- Maui County: \_\_\_\_\_
- Kaua`i County: \_\_\_\_\_
- Hawai`i County: \_\_\_\_\_

**3. DOCUMENTATION** (Please attach the following to your application form):

- A. Site Control documentation (e.g. lease/purchase agreement, DROA agreement, letter of intent)  
See Attachment #1
- B. A listing of all other permits or approvals from other government bodies (federal, state, county) that will be required before this proposal can be implemented (such as building permit, land use permit, etc.)  
See attachment #1
- C. Your governing body: list by names, titles and address/phone numbers  
See attachment #1
- D. If you have filed a Certification of Need Application this current calendar year, you may skip the four items listed below. All others, please provide the following:
  - Articles of Incorporation See attachment #1
  - By-Laws
  - Partnership Agreements
  - Tax Key Number (project's location)

3. DOCUMENTATION:

- A. Mobile. A small pick-up truck is used. Mounted in the truck bed is a small windowless camper type shell that allows for changing of film in a light tight environment.
  
- B. Medicare-Application completed  
Medicaid-Application completed  
Business License-Received  
Business Name-Received  
Office of Health Assurance-License to be issued after Certificate of Need is approved.  
American Registry of Radiologic Technologist-Received  
State of Hawaii Radiologic Technologist Certificate-Received  
Federal Tax Number-Received
  
- C. Mahlon F. Harris-Owner  
59-013 Holawa Place  
Haleiwa, HI 96712  
808-638-8833
  
- D. Not applicable as this is a sole-proprietorship, no articles or by-laws are necessary.

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4. **TYPE OF PROJECT.** This section helps our reviewers understand what type of project you are proposing. Please place an "x" in the appropriate box.

	Used Medical Equipment (over \$400,000)	New/Upgraded Medical Equip. (over \$1 million)	Other Capital Project (over \$4 million)	Change in ownership	Change in service/ establish new service/facility	Change in Beds
Inpatient Facility						
Outpatient Facility					X	
Private Practice						

5. **TOTAL CAPITAL COST:** \$31,552.00

6. **BED CHANGES.** Please complete this chart only if your project deals with a change in your bed count and/or licensed types. Again, this chart is intended to help our reviewers understand at a glance what your project would like to accomplish. Under the heading "Type of Bed," please use only the categories listed in the certificate of need rules.

Type of Bed	Current Bed Total	Proposed Beds for your Project	Total Combined Beds if your Project is Approved
N/A			
<b>TOTAL</b>			

7. **CHANGE IN SERVICE.** If you are proposing a change in service, then please briefly list what services will be added/modified. Be sure to include the establishment of a new service or the addition of a new location of an existing service. Please consult Certificate of Need Rules Section 11-186-5 for the categories of services. If you are unable to determine which category best describes your project, please consult with agency staff.

Establishment of Mobile X-Ray Service

**8. PROJECT COSTS AND SOURCES OF FUNDS (For Capital Items Only)**

<b>A. List All Project Costs:</b>	<b>AMOUNT:</b>
1. Land Acquisition	_____
2. Construction Contract	_____
3. Fixed Equipment	_____
4. Movable Equipment	<u>\$31,552.00</u>
5. Financing Costs	_____
6. Fair Market Value of assets acquired by lease, rent, donation, etc.	_____
7. Other: _____	_____
<b>TOTAL PROJECT COST:</b>	<u>-\$31,552.00</u>

**B. Source and Method of Estimation**

Describe how the cost estimates in Item "A" were made, including information and methods used:

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<b>C. Source of Funds</b>	<b>AMOUNT:</b>
1. Cash	<u>\$31,552.00</u>
2. State Appropriations	_____
3. Other Grants	_____
4. Fund Drive	_____
5. Debt	_____
6. Other: _____	_____
<b>TOTAL SOURCE OF FUNDS:</b>	<u>\$31,552.00</u>

9. **IMPLEMENTATION SCHEDULE:** Please present a projected time schedule for the completion of this project from start to finish. Include all of the following items that are applicable to your project:

- a) Date of site control for the proposed project, N/A
- b) Dates by which other government approvals/permits will be applied for and received, 06-01-
- c) Dates by which financing is assured for the project, N/A 04
- d) Date construction will commence, N/A
- e) Length of construction period, N/A
- f) Date of completion of the project, and 07-01-04
- g) Date of commencement of operation. 08-01-04

*Please remember that the Agency does monitor the implementation of Certificates approved. Non-implementation of a project as described in your application may result in a fine and/or withdrawal of the Certificate of Need.*

10. **EXECUTIVE SUMMARY:** Please present a brief summary of your project. In addition, provide a description of how your project meets each of the Certificate of Need criteria listed below. If a new location is proposed, please attach an easy to read map that shows your project site.

- a) Relationship to the Hawai'i Health Performance Plan (H2P2), also known as the State of Hawai'i Health Services and Facilities Plan
- b) Need and Accessibility
- c) Quality of Service/Care
- d) Cost and Finances (include revenue/cost projections for the first and third year of operation)
- e) Relationship to the Existing Health Care System
- f) Availability of Resources see attachment number 2

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Number 10. Executive Summary:

INTRODUCTION

The Hawaii Health Performance Plan seems to be very comprehensive and we desire to Integrate into it.

Traditionally Nursing Home and homebound residents are transported to the hospital for x-ray exams. The first known portable x-ray procedure was performed in the Los Angeles area around 1925. This occurred only 30 years after the discovery of x-ray by Wilhelm Konrad Roentgen, a German physician and physicist. By 1962 there were twenty-five (25) companies providing portable x-ray service to Southern California. I was one of those providers. Now nearly every community in the United States who has a minimum of four (4) nursing Homes has a Mobile x-ray service.

It is our plan to not only provide x-ray services to Nursing Home and homebound patient, but to also do it with compassion and tender loving care. While our target group is primarily the elderly, we do not discriminate. We serve Medicare, Medicaid recipients as well as low-income persons, racial and ethnic minorities, women, children and handicapped persons.

A. Relation to the H2P2. We bridge the gap between Nursing Home and Hospital. Portable x-ray service will help improve the health care of those who must reside in Nursing Home Facilities. We will accomplish this goal by making mobile x-ray available to all residents in a timely and cost efficient manor. Many of the State's objectives are consistent with the objectives of our proposal such as,

- i. Immediate diagnosis and treatment of injury and disease.
- ii. Assuring comfort and peace of mind in an aged person's progressing years.
- iii. Reduced pain and confusion by making the exam at the patient's bedside.
- iv. Establishing a delivery system that includes community involvement is cost effective and fosters improved access to quality health care such as proposed by Aloha Mobile Imaging.

B. Need and Accessibility. The establishment of the proposed Mobile X-ray Service will substantially benefit the community in terms of reducing healthcare costs and favorably impact quality of care. The *Journal of the American Society of Radiologic Technologists* states that thirty to forty percent (30-40%) of all x-ray exams are done via portable technique. According to the *Health Care Utilization Report* by Hawaii State Health Planning & Development Agency, there are thirty-four medical facilities offering long-term care with ninety three percent (93%) occupancy of the 2730 long-term care beds in the county of Honolulu.

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I will use the adjusted rate of (93%) occupancy that equals 2539 full beds.

With their own in-house stationary x-ray machines, fourteen facilities with an adjusted total of (575) beds service their patient's needs. PortaMed of Hawaii, a Mobile X-ray Supplier, provides mobile x-ray services to four (4) nursing facilities with (670) beds. The remaining (1294) beds do not have in-house or portable x-ray coverage. In other words, of the thirty-four (34) facilities with long-term care beds, only fourteen (14) have in-house or mobile x-ray coverage while twenty (20) facilities do not. *SHPDA 2002 Utilization Report* indicates that while long-term occupancy rates to be about ninety-three percent (93%) admissions for long-term care have increased significantly. Porta-Med x-rays about eighty (80) patients per month or 12% of their contracted (670) patients.

Aloha Mobile can expect at least the same activity or 12% of 1294 beds equals 155 possible portable x-rays per month. The target group, the elderly and handicapped are the most likely to utilize this service. However, we do not discriminate. We provide services to the elderly, man or woman, children, ethnic minorities, children, all races and creeds.

C. Quality of Service/Care. The proposed facility requires licensure from the state department of health, certified by Medicare and it is also a Medicaid provider. It maintains a business license and Radiologic Technologists are required to maintain licensure from the American Registry of Radiologic Technologists and certification from the State of Hawaii. Approval from the Health Care Assurance Office will come after the Certificate of need is approved.

D. Cost and Finances. The proposed Mobile X-ray Service will reduce healthcare costs. My average charge for the first year of operation is \$87.90 per patient and the reimbursement is \$83.70 each. Expense is \$35.58. The third year my average charge per patient is \$87.88 and the average reimbursement is \$83.68 and the expense per patient is \$53.26 reflecting the addition of another full time technologist. Our price does not vary with after hours, holiday or weekend work. The other mobile x-ray service collects \$150.00 per patient plus \$50.00 per patient for after hours work. I telephoned two stationary x-ray facilities whose average charge for a chest x-ray is \$140.00.

E. Relationship to the Existing Health Care System. The proposed project will benefit the existing health care system by adding a new facility that will help current outpatient services, health needs and future demands by decreasing emergency room patient flow and ambulance costs. In addition, this facility can help out in the event of a county disaster or emergency.

E. Availability of Resources. Aloha Mobile Imaging has access to resources to successfully implement and operate and to complete the proposed project. I am financing the project with personal monies and will not depend on public or government funding sources. The vehicle and equipment have been purchased. Reserves of twenty thousand dollars (\$20,000) have been set aside for working capital. Please see exhibit D-1.

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Staffing requirements include one Technologist, myself, who can handle 100 patients per month. When volume increases to 150 patients per month a half time technologist will be hired. A billing service will be used to bill the various insurance companies and to bill private pay patients. There is no need for a receptionist. Calls for service are made to a landline telephone with answering machine and cellular service.